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ABSTRACT

The services provided to various demographic groups under the Job Training Partnership Act (JTPA) were reviewed to determine the extent to which disparities occur in the services provided to women and minorities, factors within the operation of local projects that contribute to such disparities, and efforts by states and the Department of Labor to monitor the services. Information showing the number of JTPA participants by demographic groups receiving each mode of service (classroom training, on-the-job training, or job search assistance) for high school graduates was provided by 16 states. Results of the study showed statistically significant disparities in the services provided to minorities, especially blacks. White participants were more likely than blacks to receive classroom or on-the-job training, whereas blacks were more likely to receive only job search assistance. Women received classroom training more often than men, but they were less likely to get training for jobs with higher wages. Factors contributing to disparities included the following: self-selection by participants; financial incentives in performance-based contracts; the lack of an independent and comprehensive participant assessment process; the lack of support services for some women and minorities; and the discriminatory actions of employers, with acquiescence by program staff. Monitoring activities by states and the Department of Labor were inadequate. Recommendations were made to eliminate racial and gender disparities in JTPA provision of services. (Appendixes include information on background and methodology, disparities in training for minorities and women, factors contributing to disparities, inadequate state and labor monitoring, and major contributors to the report.) (KC)

GAO

United States General Accounting Office

Report to the Chairman, Legislation
and National Security Subcommittee,
Committee on Government Operations,
House of Representatives

September 1991

JOB TRAINING PARTNERSHIP ACT

Racial and Gender Disparities in Services



CE 059 910

GAO HRD-91-148

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Human Resources Division

B-239985

September 20, 1991

The Honorable John Conyers, Jr.
Chairman, Legislation and
National Security Subcommittee
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

As you requested, we reviewed the services provided to various demographic groups under the Job Training Partnership Act (JTPA). Despite the large representation of women and racial and ethnic minorities in the JTPA program, previous reports by us and others—such as the Chicago Urban League and the Women's Action Alliance—identified disparities in the services provided to some women and minorities. Generally, these reports indicated that they were either less likely to receive occupational training or training they received was likely to be for lower wage jobs.

Our efforts to determine the extent and possible causes of disparities in the JTPA program focused on differences in treatment within individual service delivery areas (SDAs). Specifically, we addressed three topics:

- The extent to which disparities occur in the services provided to women and minorities;
- Factors within the operation of local projects that contribute to such disparities; and
- Efforts by states and the Department of Labor to monitor the services provided to various demographic groups.

Background

The Job Training Partnership Act was enacted in 1982 to provide federal funds for job training. Title IIA, the largest single program under the act, currently provides about \$1.8 billion annually for job training for economically disadvantaged individuals. JTPA funds are distributed to states and local service delivery areas using a formula based on the number of unemployed and economically disadvantaged people living in these areas. Although the number of individuals eligible for services under title IIA is estimated to range from 10 million to 39 million, only about a million people—or 3 to 10 percent of the eligible population—receive services each year.

In each state, job training services are provided through SDAs designated by state governors. The Department of Labor is responsible for overall administration of the JTPA program and providing broad policy guidance and program oversight. While states have considerable authority to establish policy for their SDAs, much of the decision-making power for the operation of the JTPA program resides at the local SDA level.

Comparison of the racial, ethnic, and gender composition of JTPA participants with that of the eligible population shows that the program has appropriate representations of minorities and women. In fact, blacks, the largest minority, have a slightly greater proportion among program participants, and Hispanics, the next largest minority, are proportionately represented. However, Labor's data is inadequate to assess the services received and the outcomes achieved by various demographic groups. In addition, questions have been raised that suggest that program data existing at the national level mask substantial variation across local programs. Therefore, it is critical that any assessment of service disparities in JTPA focus on the SDA level.

Scope and Methodology

To determine the extent of disparities in services provided to minorities and women under JTPA, we focused our analysis at the SDA level. We requested that each state provide us information for each SDA showing the number of JTPA participants by demographic group receiving each mode of service—classroom training, on-the-job training, or job search assistance.

Only 16 states could provide this information in a usable format or without double counting participants or services. While these 16 states are not a random sample, their 227 SDAs include a third of all SDAs and a third of all JTPA terminees. In addition, the demographic characteristics of program terminees¹ in our data were similar to those of terminees from the overall JTPA program. We focused our analysis on adult high school graduates because this enabled us to limit the effect of age and educational attainment differences on the type of training participants received.

¹ A program terminnee is someone who has completed participation in the JTPA program and is either placed in a job or other training, or is no longer actively participating in the program.

We used two approaches to identify disparities.² First, we used three statistical tests to identify SDAs with disparities in the mode of service provided. These tests are commonly used by the Equal Employment Opportunity Commission to identify situations that may warrant further investigation for possible violations of civil rights laws. Our statistical analysis was limited to only those SDAs that had sufficient numbers of participants receiving services to make the disparity analysis meaningful. Of the 227 SDAs for which we had data, 199 had sufficient numbers of participants to meet our minimum criteria for at least some activities. However, the actual number of SDAs that met our criteria varied by service and ethnic group.

The second approach we used to identify disparities involved the analysis of specific occupations in which participants received classroom training. We analyzed classroom training in seven SDAs from five large metropolitan areas. While these seven SDAs may not be representative of the entire JTPA program, they provide an indication of the differences in services that minorities and women receive from some SDAs in the JTPA program. It should be recognized, however, that the disparities identified through either of these approaches do not mean that civil rights laws have been violated. Further investigation would be needed to determine whether there was discrimination.

To identify practices that may contribute to disparities, we conducted six group discussions with JTPA administrators and counselors in three metropolitan areas—Detroit, Los Angeles, and Washington, D.C. We also visited 11 SDAs in five large metropolitan areas—Chicago, Detroit, Los Angeles, Philadelphia, and San Diego. (App. I contains a more extensive discussion of our methodology.)

Results in Brief

Depending on the mode of training analyzed—classroom training, on-the-job training, or job search assistance only—we found statistically significant disparities in the services provided to minorities in 20, 13, and 18 percent of the SDAs analyzed.³ Most of these disparities affected

²A disparity is defined as a statistically significant difference in services (or opportunities) provided to a minority group, such as blacks, when compared with the most favored group. The most favored group is defined as one that receives the highest quality services and achieves the best results—frequently males or white males.

³Overall, 34 percent of the SDAs in our analysis (67 of the 199 SDAs we were able to analyze) had a disparity in at least one training mode for at least one ethnic group. Because some SDAs have disparities in more than one training mode or for more than one ethnic group, to arrive at this percentage we had to eliminate double counting of SDAs with multiple disparities.

black participants more than Hispanic participants or other ethnic groups. White participants were more likely than blacks to receive classroom or on-the-job training, while blacks were more likely to receive only job search assistance. Women more often received classroom training than men. However, in some SDAs women were less likely to get training for jobs with higher placement wages.

Several factors appear to contribute to disparities in SDAs—self-selection by participants; financial incentives in performance-based contracts; the lack of an independent and comprehensive participant assessment process; the lack of support services for some women and minorities; and the discriminatory actions of some employers and the acquiescence of some SDA staff.

Monitoring activities by states and the Department of Labor are inadequate to identify and address disparities in the services provided by SDAs to minorities and women. Neither the states nor Labor maintain data on the services provided to demographic groups in a format that is readily usable for detecting disparities at the SDA level. Since 1987, Labor's Directorate of Civil Rights has identified disparities in 16 states, but as yet has not determined whether any civil rights violations have occurred.

Disparities in Training for Minorities and Women

In 20 percent of the SDAs we analyzed, white participants were more likely than minorities to receive classroom training. Similarly, in 13 percent of the SDAs white participants were more likely to receive on-the-job training. In addition, in 18 percent of the SDAs we analyzed minorities were more likely to receive only job search assistance. Although each form of training has its benefits, Labor data show that participants receiving classroom training have a higher average placement wage upon completing training than do participants in on-the-job training. Those receiving only job search assistance have the lowest average placement wage.

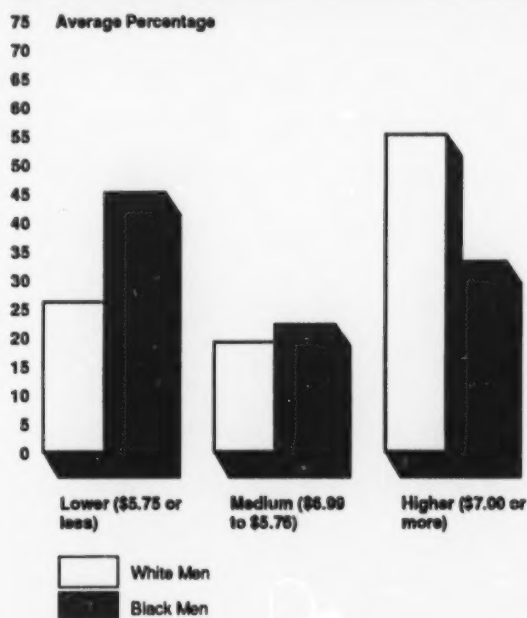
Table 1: SDAs With Disparities Adversely Affecting Ethnic Groups

Ethnic group affected	SDAs analyzed	SDAs with disparities
Black	187	62
Hispanic	89	6
Asian Pacific	18	2
American Indian	13	4

While we analyzed SDAs for disparities affecting participants from four ethnic groups, black, Hispanic, Asian Pacific, and American Indian, as shown in table 1 most of the disparities affected black participants.

In three of the six SDAs⁴ for which we analyzed individual participant records, we also found differences in the occupations for which black men and white men received classroom training. For these SDAs, black men in classroom training were more likely to be trained in occupations with a median placement wage of \$5.75 or less, as figure 1 shows. White men were more likely to be trained in occupations with a median placement wage of \$7.00 or more. In the other three SDAs, there were either no significant differences in the occupations for which black men and white men were trained or black men were more likely to receive training in occupations with higher median placement wages.

Figure 1: Distribution of White Men and Black Men Receiving Classroom Training in Lower, Medium, and Higher Wage Occupations in Three SDAs With Disparities



⁴While we used seven SDAs to analyze specific occupations for participants in classroom training, one did not have a sufficient number of black men receiving classroom training to enable us to make comparisons with white men. See app. II for data on all six SDAs used in this analysis.

In one SDA, 28 percent of the black men—compared with only 7 percent of the white men—were trained as security guards with a median placement wage of \$5.00 an hour. However, at the same SDA, 31 percent of the white men—compared with 8 percent of the black men—were trained in engineering and drafting with a median placement wage of more than \$7.50 an hour. These differences contributed to the disparity in the median placement wages between white men (\$6.50 an hour) and black men (\$5.50 an hour) in this SDA.

Our analysis of gender disparities showed that women were more likely than men to receive classroom training. However, in some SDAs women were less likely than white men to be trained for occupations associated with higher placement wages. In four of the seven SDAs in which we analyzed the classroom training received by women, we found that, on average, 9 percent of the women—compared with 29 percent of the white men⁵—were trained for occupations that had a median placement wage of \$7.00 an hour or more. (See app. II for additional data and discussion on service disparities.)

The disparity in the occupations for which women were trained was particularly significant for black women in these SDAs. Black women were less likely to receive classroom training in occupations with higher placement wages than white men and white women (see table 2).

Table 2: Distribution of White Men, White Women, and Black Women in Classroom Training for Occupations With Higher Placement Wages

SDA	White men	White women	Black women
B	31%	12%	5%
C	59	19	10
E	30	16	10
G	24	6	0

⁵We used white men as our benchmark because among the trainees from the 227 SDAs in our analysis, they had the highest placement wage. According to EEOC officials, comparisons of this nature should use the most favored group as the benchmark. Table II.7 contains information on classroom training in higher wage occupations for the seven SDAs in our analysis as well as for all men and all women.

Factors Contributing to Disparities

Self-Selection

JTPA officials told us that allowing participants to make choices about their own training fosters participant commitment and increases the likelihood that the participant will successfully complete the training. While self-selection can have a positive influence on participant commitment, JTPA officials also told us that participants often chose training for stereotypical jobs such as women in clerical occupations. Some SDA staff counsel participants about other career options, while other SDA staff believe it best not to attempt to change participant choices. In many cases, the lack of career counseling can result in participants selecting an occupation with little knowledge of the training available for other occupations.

Financial Incentives

The financial incentives inherent in performance-based contracts used by many SDAs also may contribute to disparities in services provided to various demographic groups. The incentives in performance-based contracts can encourage service providers to steer participants into low-risk, often stereotypical training they provide rather than referring them to other training opportunities. In addition, the benchmarks used in performance-based contracts may create a disincentive for service providers to take on higher cost, higher risk training activities, such as training women for nontraditional jobs. Local JTPA administrators told us that because benchmarks frequently used in performance-based contracts emphasize quantity of placements, service providers are not adequately rewarded for the additional risks associated with providing higher risk training.

Lack of Independent Assessment

Many contractors also perform their own outreach and participant assessment. This gives these service providers further opportunity to steer participants into training programs they offer. Some SDAs do not require their service providers to tell participants about other training opportunities; as a result, many participants are made aware of only the training offered by that service provider. In addition, when the assessment process is potentially biased by self-interest and not independent, contractors are more likely to use it to determine whether the applicant is likely to complete the training, rather than assessing whether the

training they offer is likely to benefit the applicant. SDA officials in two metropolitan areas told us that when contractors perform their own assessments, 80 to 90 percent of the participants recruited by a service provider receive training from that same service provider.

Limited Support Services

Limited availability of support services such as child care and transportation also can restrict participant options and contribute to disparities. According to local JTPA officials, in SDAs that provide few support services, segments of the population who have a greater need for these services may be limited in the training programs they can attend. For example, two service providers told us they are reluctant to enroll women who lack adequate provisions for child care into training for higher skilled occupations where more lengthy training would be required. Similarly, those with inadequate transportation may be limited to training options close to their homes. This can be a particularly significant problem for minorities living in economically depressed areas.

Employer Discrimination

Discriminatory practices by some employers and acquiescence by some JTPA staff in these practices also appear to be contributing to disparities in the distribution of services to women and minorities. In some cases, employers asked counselors not to send them certain types of participants, such as blacks or women. In other instances, counselors told us, while employers did not ask them to screen participants improperly, some employers consistently failed to hire the women or minorities referred to them.

Some counselors said they responded to such discriminatory practices by refusing to work with those employers in the future. However, other counselors told us that they face a dilemma when deciding whether to end a relationship with an employer who appears to be discriminating. They said they found it difficult to balance the need to maintain ties with employers and their obligation to discourage discrimination. Some counselors questioned whether they had the right to deny opportunities for good jobs for some participants to protect the civil rights of others. It should be noted that discriminatory practices by employers and acquiescence by JTPA staff are violations of civil rights law.⁶

⁶Appendix III contains additional detail on factors contributing to disparities.

State and Federal Monitoring

State and federal monitoring activities are inadequate to identify and address disparities in the services provided by SDAs to women and minorities in part because of the limited amount of data that Labor maintains on program participants. The data maintained on JTPA participants and their activities vary widely by state. In collecting data for our review, we found that only 16 states could provide us with data showing the services provided by JTPA to specific demographic groups without creating duplicate counts. Many states had data on participants receiving assistance through the basic JTPA title IIA program; however, services provided through other parts of JTPA title IIA—such as the 8-percent set-aside for education coordination—could not be related to specific individuals without creating duplicate counts. As a result, most of these states have difficulty aggregating the services provided to participants by all parts of the JTPA title IIA program.

Data collected by Labor's Employment and Training Administration through the JTPA Annual Status Report and the Job Training Quarterly Survey⁷ also do not provide a basis for identifying service disparities. The data in the Annual Status Report cannot be used to monitor disparities because each activity is not broken down by participant demographic groups. The Quarterly Survey can not be used because the data are available only as a national sample, which masks any disparities at the local level.

Despite indications of disparities in the SDAs it has monitored, Labor's Directorate of Civil Rights has been slow to identify the cause of these disparities or determine whether civil rights laws have been violated. Since 1987, the Directorate has made monitoring visits to 26 state JTPA agencies and an SDA in each state. Of the 26 SDAs visited, 16 could provide sufficient data to permit a disparity analysis and all 16 had disparities in at least some services. Yet, to date, the Directorate has not completed its analysis of these cases. The Directorate has sent formal letters of its disparity findings to two states; however, both cases are still pending. And while six states have received interim notification, the remaining eight have received no notification and none of these cases has been resolved.

⁷These reports are the key sources of information on participants, services, and outcomes maintained by the Department of Labor. However, as Labor officials told us, these reports were not designed to identify service disparities.

With regard to the formal reports issued by the Directorate, an average of 2 years elapsed from the date of the visit to the date of issue. As for the other states for which the Directorate has not yet issued formal reports of its findings, the time elapsed since they were visited by the Directorate staff ranges from 1 to over 3 years. (See app. IV for added detail on state and Labor monitoring.)

Recommendations

Labor's role in the Job Training Partnership Act program has been to provide broad policy guidance and program oversight to the states. It is unclear whether Labor has the authority to make some of the changes we think are necessary to improve the program. To provide clear authority and to ensure that Labor exercises that authority, we recommend that the Congress amend JTPA to require that

- participants be independently assessed and receive career counseling before they are referred to providers for specific services;
- Labor encourage SDAs to use incentives for contractors to provide training that involves higher costs and risks, such as training for women in nontraditional jobs;
- adequate data be collected by Labor to enable it to identify service disparities; and
- Labor promptly investigate disparities that might represent violations of civil rights, make violation or nonviolation findings promptly, and take immediate steps to enforce appropriate civil rights laws when violations are found.

In addition, we recommend that the Department of Labor ensure that states, SDAs and JTPA contractors understand that it is a violation of federal law for federal funds to be used in a discriminatory manner.

As requested, we did not obtain written comments on a draft of this report. We did discuss the factual information in the report with Department of Labor officials and have incorporated their comments where appropriate. Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after its issue date. At that time we will send copies to the Secretary of Labor and other interested parties, and make it available to others on request.

This work was performed under the general direction of Franklin Frazier, Director, Education and Employment Issues, who may be reached at (202) 275-1793. Other major contributors are listed in appendix V.

Sincerely yours,

for *Franklin Frazier*
Lawrence H. Thompson
Assistant Comptroller General

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Abbreviations

EEOC	Equal Employment Opportunity Commission
JASR	JTPA Annual Status Report
JTPA	Job Training Partnership Act
JTQS	Job Training Quarterly Survey
MOA	methods of administration
SDA	service delivery area

Background and Methodology

Background

The Job Training Partnership Act was enacted in 1982 to provide federal funds for job training. Title IIA of JTPA, the largest single program under the act, currently provides about \$1.8 billion annually to provide job training for economically disadvantaged individuals. These funds are distributed to states and local service delivery areas designated by state governors using a formula based on the number of unemployed and economically disadvantaged people living in these areas. While JTPA suggests that an SDA generally serve populations of at least 200,000, SDAs vary in size. Some SDAs serve less densely populated rural areas, while other SDAs serve urban areas with much larger populations. SDAs can include one or more units of local government, or an entire state may be served by a single SDA. Nationwide, there are about 630 SDAs, and virtually every part of the United States is contained in an SDA. Although the total number of individuals eligible for services through title IIA is estimated to be from 10 million to 39 million, only about a million people—or 3 to 10 percent of the eligible population—receive services each year.¹

JTPA is a highly decentralized program. The Department of Labor is responsible for the overall administration of the program and providing broad policy guidance and program oversight. And while state governors and JTPA agencies have authority to establish general policy for their SDAs, much of the decision-making power for the operation of the JTPA program resides at the local SDA level. SDA officials generally have broad discretion to decide such issues as the types of services to be offered, the occupations for which training is provided, and the method by which services are delivered.

Many SDAs deliver services through contracts with a variety of local service providers, such as public schools, public welfare agencies, community colleges, private trade schools, and community-based organizations. Frequently, these arrangements involve performance-based contracts, under which service providers' receipt of payments depends upon participants reaching certain benchmarks, such as completion of training and placement in unsubsidized employment. Such contracts generally enable SDAs to pass on to their contractors the burden of meeting performance standards, which can influence an SDA's funding level.

¹See Job Training Partnership Act: Services and Outcomes for Participants With Differing Needs (GAO/HRD-89-52, June 9, 1989). A precise estimate of the eligible population is difficult to determine, but it is generally agreed that the number falls within this range.

SDAs typically provide training in several different modes, including classroom and on-the-job training and job search assistance. Classroom training is provided on a full class-size and individualized basis, teaching either basic skills or specific occupational skills. Generally, SDAs that arrange classroom training for individual participants on a case-by-case basis tend to offer training for a broader range of occupations than those that arrange training on only a full class-size basis.

On-the-job training is provided by employers who teach participants specific occupational skills in the work setting and pay them a training wage, a portion of which is reimbursed by the SDA. Employers who provide on-the-job training may enter into contracts directly with the SDA, or they may work through brokers that have contracts with SDAs to recruit employers, to provide this type of training, as well as participants.

Job search assistance provides participants with help in identifying job openings, completing applications, preparing for interviews, and similar skills. Job search assistance is frequently provided in conjunction with one of the other training modes, helping those who have been taught occupational skills to find a job in a training-related field. However, some participants receive only job search assistance and do not receive training for any specific occupation.

Equal Opportunity Concerns

As recipients of federal financial assistance, SDAs are required by law to operate the program in a nondiscriminatory manner. Specifically, section 167 of JTPA prohibits discrimination against participants on the basis of race, color, religion, sex, national origin, age, handicap, or political affiliation or belief. The act also specifies that recipients of JTPA funds are subject to the provisions of various other antidiscrimination laws, including the Civil Rights Act of 1964 and the Education Amendments of 1972. In addition, JTPA specifically encourages efforts to overcome occupational stereotyping on the basis of gender.²

Minorities and women are adequately represented in the overall JTPA program. For example, Labor data on program year 1989, the most recent year for which data are available, showed that 55 percent of the terminees³ were women and 32 percent were black, which follows

²See 29 USC 1551 (d)(2).

³A program terminnee is someone who has completed participation in the JTPA program and is either placed in a job or other training or is no longer actively participating in the program.

closely or exceeds the percentage of women (58 percent) and blacks (24 percent) eligible for the JTPA program.⁴

However, while access to the program may be equal, opportunities for participants after enrollment may not be. Several studies have suggested that minorities and women enrolled in JTPA tend to receive different, and often less desirable, types of services than those provided to white males. For example, a 1988 study issued by the Chicago Urban League⁵ found "... growing evidence of differential patterns of service and job placement for white, black and Hispanic JTPA participants." The report asserts that blacks and Hispanics are less likely than whites to be placed in the types of skill training activities that lead to better-paying jobs. Another 1988 study sponsored by the Women's Action Alliance⁶ found that most women in JTPA were either enrolled in less effective pre-employment programs rather than skill training or were placed in training for stereotypical, low-paying, occupations in the clerical, sales, and service fields.

Our prior work⁷ has also found evidence of differences in the JTPA training provided to minorities and women. For example, in January 1990 we reported that, among youth, black male high school graduates were about two-thirds more likely than white male high school graduates to receive only job search assistance and no skill training. When they did receive skill training, black youth were only about half as likely as whites to receive training for moderate or higher skill occupations. Similarly, in 1989 we reported that in our sample of adult JTPA participants, men were almost twice as likely as women to receive training for higher skill occupations.

Such differences, or disparities, in services do not necessarily mean that antidiscrimination laws have been violated. Numerous factors, some of them beyond the control of JTPA administrators, may explain the existence of disparities. Nonetheless, disparities are a cause for concern, as

⁴Department of Labor, Job Training Quarterly Survey, Program Year 1989, Feb. 1991. (Program year 1989 covers July 1, 1989-June 30, 1990.)

⁵Helene Slessarev, Racial Inequalities in Metropolitan Chicago Job Training Programs, Chicago Urban League, Oct. 1988.

⁶Jo Sanders, Staying Poor: How the Job Training Partnership Act Fails Women, The Scarecrow Press, Inc., July 1988.

⁷Job Training Partnership Act: Youth Participant Characteristics, Services, and Outcomes (GAO/HRD-90-46BR, Jan. 24, 1990) and Job Training Partnership Act: Information on Training, Placements, and Wages of Male and Female Participants (GAO/HRD-89-152FS, Sept. 12, 1989).

they indicate at least the possibility of discrimination. When disparities are identified, further investigation is necessary to determine whether such factors as differences in participant characteristics explain the disparities, or whether discrimination may indeed be taking place.

Objectives, Scope, and Methodology

Our efforts to identify the extent and possible causes of disparities in JTPA services were focused at the SDA level, because SDAs generally have broad discretion to make decisions about the delivery of services. We designed our review to answer three questions:

1. To what extent do disparities exist at the SDA level in the types of JTPA services provided to minorities and women compared with white males?
2. What factors associated with local operation of the JTPA program may be contributing to disparities in services?
3. How do the state JTPA agencies and the Department of Labor monitor SDAs to identify and address disparities in services?

Strategies for Assessing the Extent of Disparities

We used two approaches to identify SDAs that had disparities in the training provided to minorities and women. First, we used three statistical methods to analyze aggregated data on program trainees for program year 1989 from 227 SDAs in 16 states. Second, we analyzed more detailed individual participant records from seven SDAs in five large metropolitan areas. We obtained these data directly from states or SDAs, because Department of Labor reports do not provide data at the SDA level that matches participant characteristics with services received.

Aggregated Data

Our review of aggregated data was limited to 16 states because they were the only states from which we could obtain data with the level of detail and accuracy required to conduct our analysis. To measure disparities, we required SDA-level data that matched participant demographic characteristics with services received. We also needed data that captured all the services provided by the JTPA title IIA program to each participant during a specified period of time. Finally, we required data that enabled us to calculate without any duplication the actual number of individuals in each demographic group who received services.

We found that in many instances, limitations in how states maintain their data and the type of data they collect from their SDAs limited their ability to provide us with useful and accurate information. Most state

JTPA agencies maintain some SDA-level data matching participant characteristics with the services provided. However, there were some exceptions, such as New York, which could not match demographic characteristics and services at the SDA level. Moreover, we found that even in states that maintained the required SDA data, the manner of storing and retrieving the information prevented many states from providing complete and accurate data on participant services.

The difficulties with data storage and retrieval are, in part, the result of JTPA title IIA funding being divided into four separate funding streams: (1) the basic program—"78-percent" funds, (2) funds set aside to provide incentives for serving special populations—"6-percent" funds, (3) funds set aside for education coordination—"8-percent" funds, and (4) funds set aside for older workers—"3-percent" funds. Data on services provided by the so-called "78-percent" funds were accessible in most states. However, "6-percent" funds do not go to all SDAs, and states varied as to whether data on services provided by this funding stream were combined with "78-percent" data. Typically, data on services provided by "8-percent" funds were maintained separately by the state JTPA agency. Finally, states also varied in how they maintained data on services provided by the "3-percent" funds for older workers.

Taking into account all these factors, we limited our analysis to 16 states having the capability of providing SDA-level data on the three largest funding streams—the basic "78-percent" funds and the "6-percent" and "8-percent" set-asides—without double-counting.

As shown in figure I.1, the states from which we obtained our data are geographically dispersed across the nation. The 227 SDAs in these states constitute about one-third of the total number of SDAs in the nation, and they also contain about one-third of all the JTPA program year 1989 terminées nationwide. The terminées from these 227 SDAs have demographic characteristics similar to those from the JTPA program as a whole, as illustrated in table I.1. Thus, our sample appears to be similar to the program as a whole, even though we do not have a statistically random sample that could be used to generalize our findings to the entire JTPA program.

Figure I.1: States Analyzed for GAO Study of JTPA Services

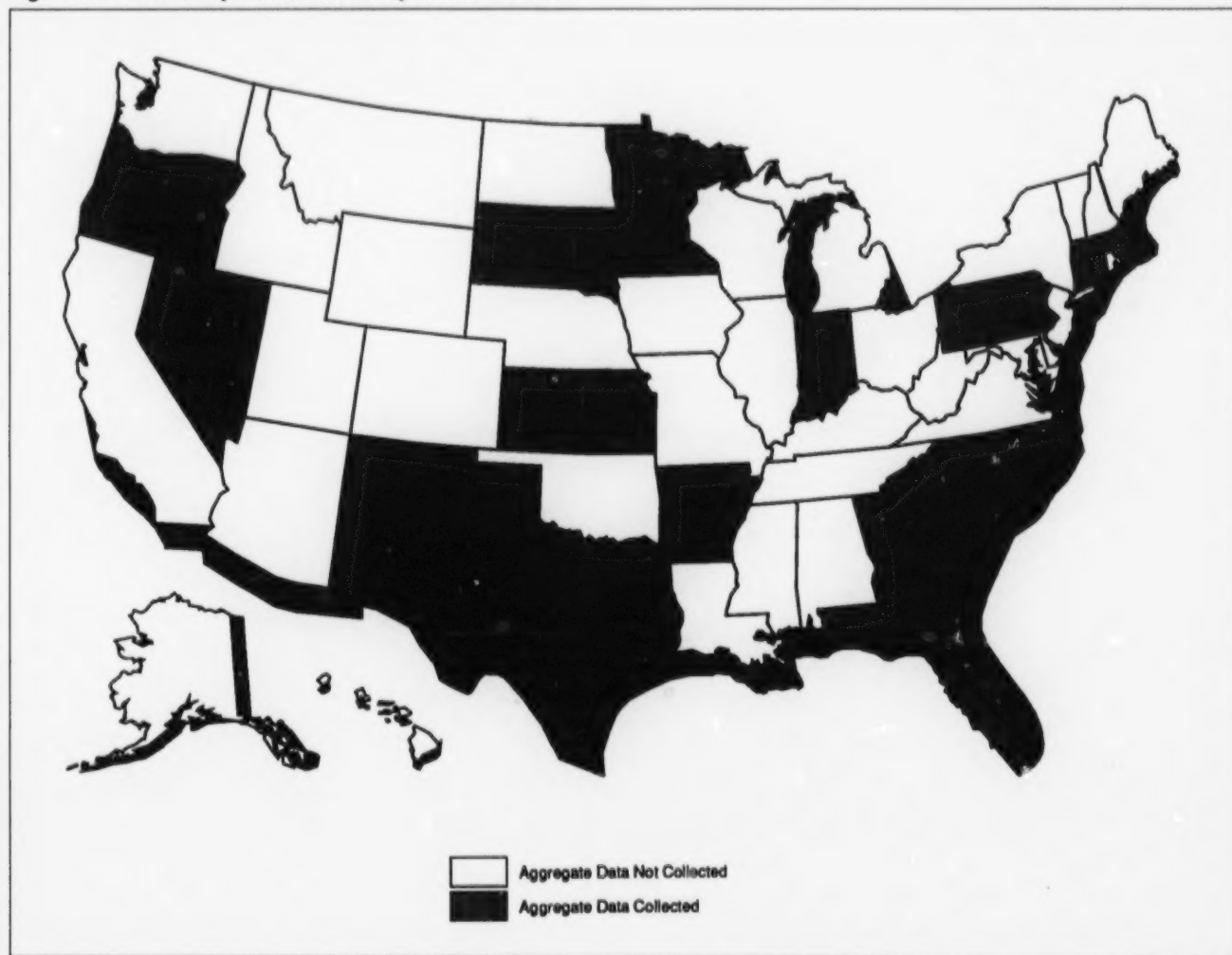


Table I.1: Demographic Characteristics of Terminees From 227 SDAs Compared With Those of All Program Terminees (Program Year 1989)

	Distribution of program terminees				
	Women	Black	Hispanic	Asian/ Pacific	American Indian
227 SDAs	56%	32%	17%	1%	1%
Overall program	54	32	15	2	2

We limited our analysis of each activity to SDAs from the 227 having at least 10 people from each of the demographic groups being compared and at least 5 percent of the baseline group receiving the activity being analyzed. This was done to assure that our conclusions regarding service disparities were based on only SDAs with sufficient numbers of participants receiving a specific activity to fairly assess their treatment. For example, to have been included in our comparison of whites and Hispanics in classroom training, an SDA must have had at least 10 whites and 10 Hispanics in its overall participant population, and at least 5 percent of the whites must have received classroom training.

Overall, 199 SDAs met our criteria for at least one activity and one ethnic group, but the number of SDAs included in each comparison varied according to the ethnic group and activity involved (see table I.2).

Table I.2: Number of SDAs Included in Analyses, by Mode of Training and Ethnic Group

Mode of training	Black	Hispanic	Asian/ Pacific	American Indian
Classroom training	185	87	18	13
On-the-job training	168	79	13	12
Job search assistance only	119	61	11	11
Overall	187	89	18	13

In assessing the extent of racial disparities in these SDAs, we further limited our analysis to adult title IIA participants with a high school education who terminated from JTPA during program year 1989. This enabled us to minimize the effect of age and educational differences on the type of training participants received.

To identify instances of disparities in the mode of services provided to participants, we followed the general approach of the Equal Employment Opportunity Commission (EEOC), using three statistical methods,⁸ including the 80-percent rule—a test of practical significance—and two more precise tests of statistical significance. The 80-percent rule has been used by EEOC and other federal agencies since 1978 as a screening method to identify employers whose practices appear to be having an

⁸These tests seek to determine whether a subgroup received less service (or opportunity) than the most favored group. In the case of the 80-percent rule, this means that the service received by the subgroup (or minority group) was less than 80 percent of the service provided to the favored group. For the other methods, statistical tests are used to determine whether differences in services between the groups are significant. Generally, a .05 significance level is used. For more detail on the use of these tests, see "What Happened In Hazelwood: Statistics, Employment Discrimination, and the 80% Rule," by Paul Meier, Jerome Sacks, and Sandy L. Zabell, in *Statistics and The Law*, edited by Morris H. De Groot, et al (New York: Wiley and Sons, 1986).

adverse impact on minorities or women. To determine whether instances of adverse impact identified by the 80-percent rule are serious enough to warrant further investigation and possible litigation, EEOC uses the Chi-square and Fisher's Exact tests to measure statistical significance. Our findings of disparities are based only on cases where a comparison violated both the 80-percent rule and the statistical significance tests used by EEOC.

Individual Participant Data

To assess the extent of disparities within classroom training, we analyzed individual participant records from seven SDAs in five large metropolitan areas: Chicago, Detroit, Los Angeles, Philadelphia, and San Diego. Data from the Philadelphia SDA was the only data also a part of the data collected for our aggregate analysis. The individual participant records from these SDAs contained detailed information allowing us to determine whether there were any differences in the assignment of participants to occupational training based on race or gender. While these seven SDAs are not representative of the entire JTPA program, they provide an indication of the differences in services that minorities and women can receive from some of the SDAs in the JTPA program.

To determine whether there were racial or gender disparities in the specific occupations for which JTPA participants were trained, we identified groups of occupations for which participants were trained, determined the median placement wage for each occupation, and then analyzed the demographic characteristics of the participants being trained for these occupations. In this manner, we determined whether women or minorities were more likely than white men⁹ to be trained for lower-paying occupations.

Strategies for Identifying Factors That Contribute to Disparities

To obtain information about the factors that may contribute to disparities in JTPA services, we conducted six focus group discussions with JTPA personnel in three metropolitan areas—Detroit, Los Angeles, and Washington, D.C. We also visited 11 SDAs in five metropolitan areas—Chicago, Detroit, Los Angeles, Philadelphia, and San Diego—to interview administrators, counselors, and service providers.

Focus Groups

The focus group discussions were led by an independent consultant experienced in conducting such groups. In each of the three locations,

⁹We used white men as our benchmark because they had the highest placement wage.

two focus groups were conducted. Each focus group involved representatives from approximately ten SDAs. One group consisted of JTPA administrators, the other of only counselors. These administrators and counselors included not only employees of SDAs but also some individuals employed by service providers under contract to SDAs. Participants in each focus group were guaranteed anonymity. We believe they were generally open in sharing with our consultant their opinions and experiences relating to various factors that influence decisions about the assignment of participants to training.

Site Visits

During our visits to SDAs in five metropolitan areas, we observed firsthand various aspects of local program operation that might contribute to disparities. In addition to interviewing key officials at each SDA administrative office, we interviewed administrators and staff at SDA-operated intake and assessment centers. We also visited the training sites of several types of service providers, including school districts, community colleges, private trade schools, and community-based organizations.

During these visits, we discussed several factors that led to participants' placement in various types of training. For example, we talked about how participant self-selection interacts with test results and counselor input to affect training decisions. We also discussed the thoroughness of the assessment procedures employed by each service provider, and the likelihood that counselors would inform participants of training options available to them at other sites. Other topics of discussion included the impact of service providers' contract terms on the acceptance, counseling, and referral of JTPA applicants, and the effects of support service availability on training assignments.

Strategies for Assessment of State and Federal Monitoring Activities

To assess state and federal monitoring of SDAs with respect to equal opportunity, we looked at (1) the availability of SDA data at the state and federal levels that could be used for monitoring purposes and (2) the monitoring activities of state JTPA agencies and Labor's Directorate of Civil Rights.

While determining the availability of data for our own review of disparities, we contacted all 50 states. We analyzed the information gathered during this process to determine whether the data maintained by states was adequate to permit them to monitor their SDAs for disparities.

We also examined two reports issued periodically by the Department of Labor that provide information on participation levels and outcomes of the JTPA program. We reviewed these two reports, the JTPA Annual Status Report (JASR), and the Job Training Quarterly Survey (JTQS), to determine whether they provided the detailed information on participants and services at the SDA level needed to identify disparities.

To assess the monitoring activities of state JTPA agencies, we contacted officials in the four states in which we conducted site visits. We discussed each state's monitoring of JTPA to determine whether that effort included a process for identifying disparities in services. When the state official stated that such a process did exist, we asked for documentation to verify not only its existence but also that it had been implemented.

At the federal level, Labor's Directorate of Civil Rights is responsible for monitoring recipients of Department funds, such as JTPA projects, for compliance with civil rights laws. We reviewed its approach for overseeing compliance with civil rights laws and regulations within the JTPA program. We also reviewed its records of specific monitoring activities with respect to JTPA over the past 5 years. These records included reports and letters of finding for the JTPA site visits conducted by the Directorate within that period. We analyzed these documents to determine (1) how many JTPA state offices and SDAs had been reviewed, (2) how many of the SDAs reviewed by the Directorate had disparities, and (3) the elapsed time between the Directorate's site visits and the reporting of its findings to the states.

Our work was performed between March 1990 and August 1991 in accordance with generally accepted government auditing standards.

Disparities in Training for Minorities and Women

Our review identified differences in the services provided by some SDAs to racial and ethnic minorities and women. Depending on the mode of training analyzed, we found racial disparities in 13 to 20 percent of the SDAs analyzed. In most of these cases, the disparities affected black participants more than other ethnic groups. In addition, our analysis of classroom training showed that in some SDAs black participants were more likely to be trained in occupations associated with lower placement wages, while whites were more likely to be trained in occupations associated with higher placement wages. Women were more likely to receive classroom training than men. However, they were less likely than white men to be trained for jobs with higher placement wages.

Racial Disparities in Mode of Training

We found that white participants were more likely than minorities to receive classroom training in 20 percent of the SDAs we analyzed. And they were more likely than minorities to receive on-the-job training in 13 percent of the SDAs analyzed. In 18 percent of the SDAs we analyzed, minorities were more likely to receive only job search assistance and no occupational training (see table II.1).

Table II.1: Racial Disparities Among Participants, by Mode of Training

Mode of training	Number of SDAs analyzed	Number of SDAs with disparities	Percent of SDAs with disparities
Classroom training	197	39	20%
On-the-job training	181	24	13
Job search assistance only	136	24	18

Although each mode of training has its benefits, Department of Labor statistics¹ for program year 1989 suggest that participants given only job search assistance are receiving a less beneficial form of assistance. The Labor data show that participants receiving classroom training had a higher average placement wage upon completing training than did participants in on-the-job training, while those who received only job search assistance had the lowest placement wages. As table II.2 illustrates, this is true for both men and women and for whites and minorities.

¹Department of Labor, *Job Training Quarterly Survey, Program Year 1989, Feb. 1991.*

Table II.2: Average Hourly Placement Wages for Three Modes of Training

Mode of training	Men	Women	Whites	Minorities
Classroom training	\$6.09	\$5.49	\$5.76	\$5.61
On-the-job training	5.63	4.94	5.38	5.22
Job search assistance only	5.46	4.78	5.16	5.04

Our analysis of racial disparities included four ethnic groups—black, Hispanic, Asian Pacific, and American Indian. However, most of the disparities we identified affected black participants rather than participants from the other ethnic groups. As shown in table II.3, part of the reason for the larger number of SDAs with disparities affecting blacks is that more SDAs had large enough numbers of black participants to make the disparity analysis meaningful. However, we also found that the percentage of SDAs with disparities affecting blacks and American Indians was greater than for other minorities.

Table II.3: Racial Disparities Among Participants, by Ethnic Group

Ethnic group	Number of SDAs analyzed	Number of SDAs with disparities	Percent of SDAs with disparities
Black	187	62	33%
Hispanic	89	6	7
Asian Pacific	18	2	11
American Indian	13	4	31

Because some SDAs had disparities in more than one training mode or for more than one ethnic group, the numbers and percentages of SDAs shown in tables II.1 and II.3 cannot be added together without double counting. Overall, when the double counts are eliminated, a total of 67 SDAs had a disparity in at least one training mode for at least one ethnic group. This represents 34 percent of the 199 SDAs that could be analyzed for disparities.

Racial Disparities in Occupational Training

In three of the six² SDAs for which we analyzed individual participants' records for differences in occupational training, black participants were more likely to receive classroom training in occupations associated with lower placement wages while white participants were more likely to be trained in occupations associated with higher placement wages. For example, in these three SDAs, 45 percent of the black men in classroom

²One of the seven SDAs used to analyze specific occupations for participants in classroom training did not have a sufficient number of black men receiving classroom training to make comparisons with white men.

training—compared with 26 percent of the white men—were trained in occupations with a median placement wage of \$5.75 an hour or less. In these same SDAs, 55 percent of the white men—compared with 33 percent of the black men—were trained in occupations with a median placement of \$7.00 an hour or more (see table II.4).

Table II.4: Distribution of White Men and Black Men in Classroom Training for Occupations With Higher, Medium, and Lower Placement Wages

SDAs	Higher (\$7.00 or more)		Medium (\$6.99-5.76)		Lower (\$5.75 or less)	
	White men	Black men	White men	Black men	White men	Black men
With racial disparities						
A	65%	44%	8%	13%	27%	43%
B	31	8	40	36	29	56
C	59	28	32	30	9	42
Weighted average	55	33	19	22	26	45
Without racial disparities						
D	0	0	91	87	9	13
E	30	34	57	44	13	22
F	0	19	56	43	44	38

When we looked at the occupations for which participants received training, we found, for example, that in SDA B 28 percent of the black men—compared with only 7 percent of the white men—received training in security services, which had a median placement wage of \$5.00 an hour. However, as table II.5 illustrates, at the same SDA 31 percent of the white men—compared with 8 percent of the black men—received training in engineering and drafting, which had a higher placement wage. Similar examples of disparities in the training received by white and black men were found in SDAs A and C.

Table II.5: Distribution of White Men and Black Men Trained in Lower Paying and Higher Paying Occupations (SBA B)

Occupation	White men	Black men	Median placement wage
Lower paying			
Food and beverage	5%	1%	\$5.75
Financial services	0	5	5.00
Housekeeping	3	10	5.48
Nursing aides	2	8	4.50
Security	7	28	5.00
Construction	12	4	5.00
Total percentage in lower paying occupations	29%	56%	
Higher paying			
Engineering	19	8	7.10
Drafting	12	0	8.00
Total percentage in higher paying occupations	31%	8%	

Gender Disparities in Occupational Training

Women more often received classroom training than men. However, in some SDAs women were less likely than white men to be trained for occupations with higher placement wages. For example, we found gender disparities in four of the seven SDAs analyzed for differences in classroom training. For the other three SDAs, either there was no disparity or women were more likely to be trained for higher wage occupations. For SDAs with disparities, 9 percent of the women—compared with 29 percent of the white men—received training in occupations that had a median placement wage of \$7.00 an hour or more (see table II.6).

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Table II.6: Distribution of Women and White Men in Classroom Training for Occupations With Higher, Medium, and Lower Placement Wages

SDAs	Higher (\$7.00 or more)		Medium (\$6.99-\$5.76)		Lower (\$5.75 or less)	
	White men	Women	White men	Women	White men	Women
With gender disparities						
B	31%	7%	40%	53%	29%	40%
C	59	12	32	60	9	28
E	30	9	57	76	13	15
G	24	5	59	74	17	21
Weighted average	29	9	53	68	18	23
Without gender disparities						
A	65	77	8	16	27	7
D	0	0	91	91	9	9
F	0	3	56	81	44	16

Our analysis also showed that in some SDAs, black women in particular were less likely to receive training in occupations with higher placement wages. As shown in table II.7, we found four SDAs with substantial differences in the percentage of white men as well as white women trained for occupations with higher placement wages compared with black women.

Table II.7: Distribution of Men and Women in Classroom Training for Occupations With Higher Placement Wages

SDAs	Men	Women	White men	Black men	White women	Black women
With gender disparities						
B	15%	7%	31%	8%	12%	5%
C	31	12	59	28	19	10
E	33	9	30	34	16	10
G	25	5	24	•	6	0
Without gender disparities						
A	59	77	65	44	58	81
D	0	0	0	0	0	0
F	5	3	0	19	0	10

When we looked at the occupations in which participants received training, we found, for example, that in one SDA 27 percent of the black women were trained in health care occupations such as nursing assistants or mental health aides compared with 10 percent of the white women and 5 percent of the white men (see table II.8).

Table II.8: Distribution of White Men, White Women, and Black Women in Lower Paying and Higher Paying Occupations (SDA C)

Occupation	White men	White women	Black women	Median placement wage
Lower paying				
Nursing assistants	5%	6%	15%	\$5.70
Mental health services	0	4	12	5.59
Food and beverage	5	6	6	5.50
Total percentage in lower paying occupations	10%	16%	33%	
Higher paying				
Electronics	55	1	3	7.00
Nursing	0	5	2	11.04
Medical/dental services	5	13	5	7.77
Total percentage in higher paying occupations	60%	19%	10%	

Factors Contributing to Disparities

Several factors appear to contribute to disparities in the services provided to minorities and women by some SDAs. From the results of our six focus group discussions and comments by local JTPA officials during our site visits, we identified the following contributing factors:

- Self-selection by participants;
- Financial incentives inherent in performance-based contracts;
- The lack of an independent and comprehensive participant assessment process;
- Limited support services, which restrict participant options; and
- Discriminatory actions of some employers and the acquiescence of some SDA staff.

Self-Selection Plays Role in Disparities

JTPA officials told us that allowing participants to make choices about the occupation they wish to pursue or the training they wish to receive is often crucial to success in the program because it fosters participant commitment. Committed participants work harder to reach their goals and are more likely to exhibit good attendance and other behaviors needed to successfully complete training or perform on the job.

While self-selection can have a positive influence on participant commitment, officials told us that participants frequently chose training in stereotypical occupations. For example, many women chose training in clerical occupations while men chose training in industrial occupations. JTPA officials told us participants often chose these stereotypical occupations because of peer pressure and their desire to work in jobs where they believe they will be comfortable.

Some JTPA staff counsel participants about various career options, while others believe it is best not to attempt to challenge a participant's choice. One group of JTPA counselors told us their role was to "... take our cue from the client ..." because "... trying to convince them of something they don't want, won't work." Some JTPA counselors told us this is particularly true in nontraditional occupations where they discuss the nontraditional only if it is first raised by the client or if the client "shows aptitude" or has what the counselor perceives to be the "strong personality" needed to succeed in such a job. Even then, some counselors tend to emphasize the harsh realities of such occupations.

Financial Incentives Encourage Participant Steering

The financial incentives inherent in performance-based contracts can encourage service providers to steer the applicants they recruit into low-risk, often stereotypical training, and thereby contribute to the disparities in services. While some of the SDAs we visited administer JTPA services through their own intake and assessment centers, others contract with local service providers such as community-based organizations, public schools, private trade schools, and job brokers for services. The majority of these service providers operate under performance-based contracts where payment is provided once performance benchmarks are met, such as participants successfully completing training or the number of participants placed in a training-related job.

According to JTPA officials, this emphasis on performance encourages some service providers to steer program participants into the training they believe the participants are most likely to complete and into occupations in which they are most likely to obtain employment, regardless of the wage level of the job. In the case of minorities and women, service providers tend to steer them toward low-skilled, low-wage jobs because that is the easiest way to achieve performance benchmarks and receive payments under their performance-based contracts.

In addition, JTPA officials told us that financial incentives inherent in performance-based contracts often limit the types of training service providers are willing to offer. We found that many service providers offer traditional, stereotypical training because it is inexpensive to set up, jobs are plentiful, and most participants, even those with minimal skills, can easily complete the training. These service providers often avoid training in nontraditional occupations, which can have higher set-up costs and, many believe, have a greater risk that participants will not complete the training or find employment. For example, in one urban SDA we visited, although 70 percent of the adult participants were high school graduates, over two-thirds of the training slots required less than a 9th-grade reading level. In two other metropolitan areas we visited, JTPA officials told us that many of the available training options tended to be in traditionally female occupations such as clerical or nursing.

Lack of Independent Assessment Increases Opportunities for Steering

Many of the service providers we visited also perform their own outreach and assessment. This gives them further opportunity to selectively steer participants into the training programs they offer rather than referring them to other training opportunities. JTPA officials told us that, typically, the service provider's outreach is targeted at specific groups interested in specific training. Officials also told us that many of

these service providers want to keep the participants they bring in through their own outreach efforts, believing that these participants have the best chance of completing the program and generating the performance payment for the service provider. Even when participants are sent to the SDA for eligibility certification, some service providers pressure the SDA to return those participants to them. In two of the major metropolitan areas we visited, SDA officials told us that 80-90 percent of the program participants returned to the service providers that had recruited them.

Also, because some SDAs do not require their service providers to tell participants about other training opportunities, in these SDAs participants are made aware of only the training offered by that service provider. In one large city, for example, staff at an SDA-operated intake center told us about service providers or "job brokers" who provided only on-the-job training. These brokers, who performed their own intake and assessment, seldom referred applicants to the intake center where they could learn about the SDA's classroom training opportunities. Most of the participants recruited through these brokers were enrolled in the brokers' on-the-job training programs.

Limited Support Services Also Restricts Participant Options

In some cases, the limited availability of support services such as child care or transportation can restrict a participant's training or employment options and also contribute to the disparities in services. According to local JTPA officials, in SDAs that provide few support services, some segments of the population who are in greatest need may be limited in the training they can attend. For example, several of the service providers we visited told us they are reluctant to enroll women who lacked adequate provisions for child care into training for higher skilled occupations where more lengthy training would be required. These service providers were concerned that the participants would not successfully complete training and therefore jeopardize their performance-based contracts.

Lack of transportation can also limit access to training for some JTPA participants. Participants without transportation are limited to locally available training and job opportunities. Several JTPA administrators and service providers told us this can be a particularly significant problem for minorities living in economically depressed areas. For example, in one of the metropolitan areas we visited, JTPA officials told us of good on-the-job training opportunities at the main airport located in the suburbs. However, because the inner-city SDA does not provide sufficient

transportation funds, their clients, who are predominantly minorities, cannot readily take advantage of these training opportunities.

Employer Discrimination Limits Opportunities for Some Minorities and Women

Discriminatory practices, either subtle or overt, by some employers and the acquiescence by some JTPA staff in these practices can also contribute to the disparities in services. We were told by several JTPA officials that some employers discriminate by either asking for certain types of participants or by consistently failing to hire the minorities and women referred to them. JTPA officials told us some of these employers were very blunt about their racial and gender preferences, citing examples where employers requested "... white people ..." or "... anyone but ... an Oriental" or not wanting to hire nontraditional applicants stating, "I cannot have these women ... laying brick in front of my men." They also cited other examples where employers did not ask them to screen participants improperly, but routinely gave a 5-minute interview to qualified minorities while they gave comprehensive interviews to white males who were subsequently hired, or where minority clients were placed in temporary jobs while white males were placed in permanent jobs.

Some officials told us they responded to these discriminatory practices by refusing to work with such employers. Sometimes, they first gave employers a warning that such practices would not be tolerated.

While some JTPA officials said they did not continue to work with employers who discriminated, they knew of other service providers who did. For example, we were told by one JTPA official that although they had gone on record as having "sanctioned" an employer because of discriminatory practices, other service providers continued to work with that employer.

Other JTPA officials told us they faced a dilemma when deciding whether to end a relationship with an employer who discriminates. Some JTPA staff did not want to sever the relationship and eliminate jobs for other program participants. They reasoned that while discrimination could be avoided by rejecting employers that discriminate, this could also eliminate jobs for other program participants. One group questioned whether they had the right to deny other participants a good job opportunity. They said, "Who are we to deny one of our clients a good job simply because an employer would be discriminating ...?"

Others in the group expressed little concern in providing what the employer wants. One JTPA official described not wanting to eliminate "employers just because they are a little racist." Another official said it was part of establishing a good rapport with the employer. He stated, "That's how to get the employers to come back and hire from you . . . give them what they want."

It should be noted that both the discriminatory practices by employers and the acquiescence by some JTPA staff are violations of civil rights law. The Department of Labor may need to provide states and SDAs with technical assistance to assure that JTPA staff and service providers fully understand federal civil rights laws.

Inadequate State and Labor Monitoring

Monitoring activities by states and the Department of Labor are inadequate to identify and address the disparities in the JTPA program. Our review showed that

- state and Labor JTPA agencies generally do not maintain data on participant demographic characteristics and activities in a format that can be readily used for identifying disparities at the SDA level, and
- the monitoring efforts of Labor's Directorate of Civil Rights are inadequate to identify disparities in JTPA services or report on them in a timely manner so that corrective action, if needed, can be taken.

State and Labor Data Not Readily Usable for Disparity Analysis

The information maintained by state JTPA agencies on JTPA participant demographic characteristics and activities is, in most cases, inadequate to identify disparities at the SDA level. In our attempts to collect from the 50 states data on JTPA participant characteristics and activities, we found that the states' JTPA databases varied greatly. Eventually, we determined that only 16 states could provide us with data in a format needed to readily analyze disparities. As discussed in greater detail in appendix I, most states maintain some SDA-level data that matches participant characteristics with services. However, 34 states could not readily provide the necessary data because of limitations in their systems for maintaining and/or retrieving data. Either they could not link participant characteristics with some of the services they received at the SDA level, or they could not retrieve this data without double-counting some individuals who were served by the different JTPA funding streams—for example, the basic “78-percent” funds and the various other set-asides.

These data limitations appear to reflect a greater focus by state JTPA officials on who gets into the JTPA program than on what services participants receive once in the program. Consequently, while the information collected by the states permits analysis of the demographic characteristics of those enrolled in JTPA, it often does not track all of the services received by each participant. Such tracking is vital to identifying disparities.

The actual monitoring activities of the four states we visited also reflected this emphasis on entry to the program. In three of these states, JTPA officials told us their monitoring efforts focus on determining whether members of protected groups, such as women, blacks, and Hispanics are enrolled in the program in numbers proportionate to their representation in the total eligible population. In one of the four states, a

JTPA official told us that they recently began reviewing SDA data to identify the types of services provided to members of these groups. However, the documentation currently available from this state does not yet contain an analysis of overall disparities for women or minorities.

At the federal level, we found that the information collected by Labor's Employment and Training Administration for its two key JTPA reports is not designed to readily identify service disparities. For example, the data in the JTPA Annual Status Report cannot be used to monitor disparities because it is not broken down by participant's race and gender in each program activity. The annual report provides information on males and females but does not cross-reference this information by training activity, e.g., on-the-job or classroom training. Likewise, information on various ethnic groups such as blacks and Hispanics is provided, but this information also is not cross-referenced to services received by participants.

The other key report, the Job Training Quarterly Survey, does link participant characteristics and services, but it cannot be used to identify disparities at the local level. The quarterly survey data, extracted by Census Bureau field staff from JTPA administrative records for samples of program participants from selected SDAs, are available only as a national sample. This aggregation of the data can mask disparities at the SDA level.

Monitoring by Labor's Directorate of Civil Rights Is Inadequate

Three problems hamper the ability of Labor's Directorate of Civil Rights to ensure that JTPA grant recipients comply with civil rights laws. First, the overall approach used by the Directorate to monitor compliance with civil rights laws generally emphasizes administrative procedures as opposed to service disparities. Second, in the small number of cases where the Directorate has attempted to identify disparities at the SDA level, it has frequently been hampered by data limitations similar to those we encountered, as discussed in the previous section. Third, even in cases where the Directorate did obtain data and identify disparities, it has been slow to report these findings to state agencies so that corrective action could be taken, if necessary.

Limitations of Overall Approach

The Directorate's overall approach to monitoring the JTPA program revolves around the certification and monitoring of state plans for implementing specific steps to ensure compliance with civil rights laws

and regulations. Each state has submitted a plan to the Directorate outlining the "methods of administration" (MOA), which the state believes will give a reasonable guarantee of compliance with nondiscrimination laws. The MOAs focus primarily on various administrative actions, such as the appointment of an equal opportunity officer, the establishment of discrimination complaint procedures, and the formulation of a list of corrective actions and sanctions for civil rights violations. While the MOAs also specify that states will monitor SDAs to ensure compliance with nondiscrimination laws, our review of three MOAs showed that they did not require any specific steps to identify service disparities, nor did they require maintenance of the data necessary to identify disparities. Directorate officials confirmed that this lack of attention to service disparities was characteristic of all the state MOAs. Nonetheless, the Directorate has certified the MOAs of all the states as adequate to protect JTPA participants from discrimination.

In addition, Directorate monitoring visits to ensure that MOAs have been implemented have done little to ensure that states detect and address disparities in services provided by their SDAs. Since it began conducting these monitoring visits in 1987, the Directorate has visited 26 states and one SDA within each state. Criteria for selecting the SDAs include the numbers of civil rights complaints received and participants receiving training. While the Directorate has conducted its own analysis to identify disparities in the 26 SDAs included in the visits, this coverage does not appear adequate, as it represents less than 5 percent of the 630 SDAs in the country. In addition, because the MOAs do not require the states to monitor SDAs for disparities, the Directorate has not assessed the states' ability to detect and address disparities in all of their SDAs.

Data Limitations

In conjunction with its monitoring visits, the Directorate also requested from the 26 SDAs data on the services provided to demographic groups to determine whether there were any disparities in services. However, the Directorate has encountered the same types of data limitations that hindered our review of disparities. Of the 26 SDAs, 10 could not provide sufficient data at the time of the Directorate's request to permit an analysis for disparities. It found that the data provided by states often did not permit it to analyze the services received by various demographic groups. In one case, it could not properly identify the funding streams under which participant services were provided.

Directorate Slow to Report Disparities

When the Directorate has found evidence of disparities, it has been slow to identify the causes of these disparities or determine whether civil rights laws have been violated. For the 16 SDAs the Directorate could analyze for disparities in the services provided to demographic groups, it found that they all had disparities in at least some services. Yet, as of August 1991, the Directorate had not completed its investigation of these cases. It has sent formal letters of findings to two states; however, neither case has been closed. And while six have received interim notification, the remaining eight have received no notification and none of these cases have been resolved.

The Directorate's slowness in reporting its findings is further illustrated by delays between its monitoring visits and the issuance of formal reports of findings. An average of 24 months elapsed from the date of visit to the date the formal reports were issued. As for the other states for which formal reports of findings have not been issued, the time elapsed since they were visited by Directorate staff ranges from 1 to over 3 years. Although the Directorate may have been delayed by efforts to obtain adequate data and possibly by a lack of sufficient resources, the delays in its efforts to determine whether civil rights laws have been violated appear excessive.

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Related GAO Products

Job Training Partnership Act: Inadequate Oversight Leaves Program Vulnerable to Waste, Abuse, and Mismanagement (GAO/HRD-91-97, July 30, 1991).

Job Training Partnership Act: Racial and Gender Disparities in Services (GAO/T-HRD-91-42, July 17, 1991).

Amending the Job Training Partnership Act: Inadequate Oversight Among Issues That Need to Be Addressed (GAO/T-HRD-91-28, May 9, 1991).

Job Training Partnership Act: Youth Participant Characteristics, Services, and Outcomes (GAO/HRD-90-46BR, Jan. 24, 1990).

Job Training Partnership Act: Information on Training, Placements, and Wages of Male and Female Participants (GAO/HRD-89-152BR, Sept. 12, 1989).

Job Training Partnership Act: Services and Outcomes for Participants With Differing Needs (GAO/HRD-89-52, June 9, 1989).

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